

AMENDED IN ASSEMBLY SEPTEMBER 4, 2015

SENATE BILL

No. 36

Introduced by Senators Hernandez and De León
(Principal coauthor: Assembly Member Bonta)

December 1, 2014

An act to add ~~Article 5.5 (commencing with Section 14184) to Chapter 7 of Part 3 of Division 9 of Section 14166.253~~ to the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 36, as amended, Hernandez. Medi-Cal: demonstration project.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which qualified low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions. Existing law provides for a demonstration project under the Medi-Cal program until October 31, 2015, to implement specified objectives, including better care coordination for seniors and persons with disabilities and maximization of opportunities to reduce the number of uninsured individuals.

~~This bill would require the State Department of Health Care Services to submit an application to the federal Centers for Medicare and Medicaid Services for a waiver to implement a demonstration project that, among other things, continues the state's momentum and successes in innovation achieved under the demonstration project described above. The bill would require the department to consult with interested stakeholders and the Legislature in developing the waiver application.~~

This bill would authorize the Director of Health Care Services, if the State Department of Health Care Services has not received adequate assurances from the federal Centers for Medicare and Medicaid Services before November 1, 2015, that the department’s application for a subsequent demonstration project, as specified, is likely to be approved with an effective date of November 1, 2015, to request one or more temporary extensions until the approved effective date of the subsequent demonstration project. The bill would require the department, under an approved temporary extension, subsequent demonstration project, or as otherwise permitted under existing federal Medicaid law, to extend and apply existing payment methodologies and allocations, as prescribed. Requirements of the bill would be implemented only to the extent that any necessary federal approvals are obtained and federal financial participation is available and is not jeopardized. The bill would authorize the department, until July 1, 2016, to implement, interpret, or make specific this section by means of all-county letters, plan letters, plan or provider bulletins, or similar instructions without taking regulatory action.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Article 5.5 (commencing with Section 14184) is~~
 2 ~~added to Chapter 7 of Part 3 of Division 9 of the Welfare and~~
 3 ~~Institutions Code, to read:~~
 4
 5 ~~Article 5.5. Renewal of Health Care Coordination,~~
 6 ~~Improvement, and Long-Term Cost Containment Waiver or~~
 7 ~~Demonstration Project~~
 8
 9 ~~14184. (a) The department shall submit an application to the~~
 10 ~~federal Centers for Medicare and Medicaid Services for a waiver~~
 11 ~~to implement a demonstration project that does all of the following:~~
 12 ~~(1) Furthers the delivery of high-quality and cost-efficient care~~
 13 ~~for Medi-Cal beneficiaries.~~

1 ~~(2) Ensures the long-term viability of the delivery system~~
2 ~~following the expansion of Medi-Cal eligibility under the federal~~
3 ~~Patient Protection and Affordable Care Act.~~

4 ~~(3) Continues California’s momentum and successes in~~
5 ~~innovation achieved under the 2010 “Bridge to Reform” Waiver.~~

6 ~~(b) In developing the waiver application, the department shall~~
7 ~~consult with interested stakeholders and the Legislature.~~

8 *SECTION 1. Section 14166.253 is added to the Welfare and*
9 *Institutions Code, to read:*

10 *14166.253. (a) If the department has not received adequate*
11 *assurances from the federal Centers for Medicare and Medicaid*
12 *Services (CMS) before November 1, 2015, that the department’s*
13 *application for a subsequent demonstration project, as defined in*
14 *subdivision (x) of Section 17612.2 and as submitted pursuant to*
15 *Section 17612.8, is likely to be approved with an effective date of*
16 *November 1, 2015, the director may request one or more temporary*
17 *extensions, as necessary to continue the operation of, and the*
18 *authorities provided under, the federal Medicaid demonstration*
19 *project titled “California Bridge to Reform Demonstration”*
20 *(waiver number 11-W-00193/9), until the approved effective date*
21 *of the subsequent demonstration project.*

22 *(b) To the extent permitted under the terms of any approved*
23 *temporary extension obtained by the department pursuant to*
24 *subdivision (a), an approved subsequent demonstration project,*
25 *or as otherwise permitted under federal Medicaid law, the*
26 *department shall, after consulting with the affected designated*
27 *public hospitals, extend and apply the payment methodologies and*
28 *allocations described in this article and in effect during the*
29 *successor demonstration project, on a state fiscal year, annual,*
30 *partial year, or other basis, consistent with any applicable*
31 *implementing provisions of the Medi-Cal state plan and*
32 *requirements imposed by the CMS. The department may make*
33 *payments on an interim basis and subject to reconciliation to*
34 *amounts payable under the payment and allocation methodologies*
35 *applicable to any approved temporary extension obtained by the*
36 *department pursuant to subdivision (a) or approved subsequent*
37 *demonstration project.*

38 *(c) This section shall be implemented only to the extent that any*
39 *necessary federal approvals are obtained and federal financial*
40 *participation is available and is not jeopardized.*

1 *(d) Until July 1, 2016, in the event of a conflict between the*
2 *terms of any federally approved extension obtained by the*
3 *department pursuant to subdivision (a) and this article, the terms*
4 *of the federally approved temporary extension shall control, and*
5 *the department shall provide notice of the conflict to the*
6 *appropriate policy and fiscal committees of the Legislature.*

7 *(e) Notwithstanding Chapter 3.5 (commencing with Section*
8 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
9 *the department may implement, interpret, or make specific this*
10 *section by means of all-county letters, plan letters, plan or provider*
11 *bulletins, or similar instructions without taking regulatory action*
12 *until July 1, 2016.*

13 SEC. 2. This act is an urgency statute necessary for the
14 immediate preservation of the public peace, health, or safety within
15 the meaning of Article IV of the Constitution and shall go into
16 immediate effect. The facts constituting the necessity are:

17 In order to make changes to state-funded health care programs
18 at the earliest possible time, it is necessary that this act take effect
19 immediately.